



GUJCOT TRADE ASSOCIATION

WEEKLY REPORT 14-SEP-2019

Market Movement from 09th Sep 2019 to 14th Sep 2019

- NY future gained 370 points during this week, green week after long time. Market was bottomed out and fresh selling was limited. Market ignored bearish export sales data and WASDE report on positive news of US postponement of US tariff on Chinese goods, which was to be implemented from 1st October and China also responding positively.
- Indian new season is knocking the door. North arrival is now picking up. Due to high temperature in Haryana arrivals will be accelerated. Other parts of India are still waiting for sunshine which may delay arrivals in those areas.
- Now with limited stocks with ginners, delay in arrivals and positive international market sentiment gave ginners/stockiest opportunity. Physical market recovered Rs. 400-500 per candy.
- Still Indian basis are higher and Indian cotton still costly to compete in export market. Indian rupees also remained firm during this week
- All India cotton sowing till 12th of September was 126.609 lakh hectares against 120.561 lakh hectares last year on same time which is 5.02% higher YoY.
- Indian basis remained between 12.48 to 14.94.
- Gujarat 29 mm Cotton sold between 41,550 to 42,000 Rs/Candy.
- All India daily arrivals remained between 6,000 to 8,000 bales.
- Daily arrivals in Gujarat were nearly 1,200 to 1,500 bales.
- Indian Rupee remained stronger between 71.70 to 70.91 during this week.



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Gujarat District wise Cotton Sowing

Gujarat Districtwise Cotton Sowing Till 09-September-2019			
Kutch	595	Saurashtra	18,890
Kutch	595	Surendranagar	3,551
		Rajkot	2,644
North Gujarat	2,389	Jamnagar	1,665
Banarsakantha	438	Porbandar	94
Patan	432	Junagadh	749
Mehsana	382	Amreli	4,029
Sabarkantha	577	Bhavnagar	2,378
Gandhinagar	236	Morbi	1,862
Aravali	324	Botad	1,639
		Gir Somnath	171
Middle Gujarat	3,212	Devbhumi Dwarka	108
Ahmedabad	1,134		
Anand	30	South Gujarat	1,571
Kheda	191	Surat	44
Panchmahal	117	Narmada	469
Dahod	10	Bharuch	964
Vadodara	796	Dang	0
Mahisagar	64	Navsari	0
Chota Udaipur	871	Valsad	0
		Tapi	94
TOTAL			26,657
TOTAL (Last Year)			27,086
All Figures in '00 Hectares			
Source :- Agriculture, Farmers Welfare and Co-operation Department Government of Gujarat			



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All India Cotton Sowing

All India Cotton Sowing				
As on 12-09-2019				
STATE	(Area in Lakh Hectare)			
	2019-2020	2018-2019	Change	
Punjab	4.020	2.840	1.180	41.55%
Haryana	7.010	6.650	0.360	5.41%
Rajasthan	6.445	4.961	1.484	29.91%
North India	17.475	14.451	3.024	20.93%
Gujarat	26.657	27.086	-0.429	-1.58%
Maharashtra	43.819	41.187	2.632	6.39%
Madhya Pradesh	6.090	6.970	-0.880	-12.63%
Central India	76.566	75.243	1.323	1.76%
Telangana	18.322	17.943	0.379	2.11%
Andra Pradesh	6.110	5.510	0.600	10.89%
Karnataka	5.747	5.480	0.267	4.87%
Tamil Nadu	0.421	0.184	0.237	128.80%
South Zone	30.600	29.117	1.483	5.09%
Orissa	1.696	1.578	0.118	7.48%
Others	0.271	0.172	0.099	57.56%
All India	126.609	120.561	6.048	5.02%

Source :- Department of Agriculture Cooperation & Farmer Welfare - Government of India



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Global

US Weekly Export Sales

- Net UPLAND sales of 74,700 RB for 2019-2020 were down 54 percent from the previous and 63 percent from the prior 4-week average. Increases were primarily for Bangladesh (17,300 RB), Vietnam (17,200 RB), Pakistan (10,100 RB), South Korea (9,400 RB), and Turkey (9,200 RB). Reductions were reported for China (20,800 RB).
- UPLAND Exports of 1,66,900 RB were down 28 percent from the previous week and 35 percent from the prior 4-week average. Exports were primarily to Vietnam (46,100 RB), Bangladesh (22,900 RB), China (21,300 RB), Turkey (14,800 RB), and Mexico (13,700 RB).
- For 2020-2021, total net UPLAND sales of 500 RB were for Japan.
- Net sales of PIMA totaling 3,800 RB were up noticeably from the previous week, but down noticeably from the prior 4-week average. Increases were for Peru (1,600 RB), India (1,300 RB), Thailand (400 RB), Turkey (300 RB), and Bangladesh (300 RB). Exports of 4,600 RB were primarily to India (2,000 RB), China (1,300 RB), and El Salvador (1,000 RB).

US Export Sales	05-Sep-2019
Marketing Year 2019-20	
Upland Gross Sales	93,600
Cancellation	18,900
Net Upland Sales	74,700
PIMA Gross Sales	3,800
Cancellation	0
Net PIMA Sales	3,800
Total Gross Sales	97,400
Total Cancellation	18,900
Total Net Sales	78,500
Shipments	
UPLAND	1,66,900
PIMA	4,600
Total Shipment	1,71,500
Marketing Year 2020-21	
Net Upland Sales	500
Net PIMA Sales	0
Total Net Sales	500
All Figures in US Running Bale	

China Cotton Auction

Cumulative Update

From May 5 to Sep 12, the cumulative turnover of reserve cotton was 873,700 tons, and the turnover rate was 85.37%.



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WASDE – Sep – 2019

The 2019/20 U.S. cotton estimates include lower beginning stocks, production, exports, and consumption, while ending stocks are unchanged. Beginning stocks are reduced 400,000 bales this month, reflecting 2018/19 reported ending stocks data from the WASDE-592-5 Farm Service Agency and the NASS Cotton System Consumption and Stocks report. Production is lowered 654,000 bales to 21.9 million, largely due to a decline for the Southwest, while consumption is lowered 100,000 bales reflecting recent activity. Exports are projected 700,000 bales lower due to reduced U.S. production and a lower projected U.S. share of world trade. The 2019/20 season-average price for upland cotton is forecast at 58 cents per pound, down 2 cents from last month.

In both the 2017/18 and 2018/19 U.S. cotton balance sheets, the estimate for unaccounted cotton is revised downwards and exports are revised upwards. The unaccounted element of the U.S. cotton balance sheet has been growing in recent years, indicating an imbalance in the sum of the other components. The estimates for production, consumption, and stocks have maintained their consistency over this time, but a growing difference has occurred between the sources available for estimating U.S. exports. For 2017/18, exports are raised 432,000 bales, and unaccounted is reduced 332,000 bales. For 2018/19, exports are raised 546,000 bales, and unaccounted is 546,000 bales lower than the result based on the methodology used in past years. In each marketing year, revised exports are estimated as the average of the export levels reported by the Bureau of the Census and USDA's Export Sales Reporting System. See the Foreign Agricultural Service's Cotton: World Markets and Trade for more details on the export change and the Economic Research Service's Cotton and Wool Outlook for a detailed explanation of the stocks calculation.

The 2019/20 world estimates this month show higher beginning stocks, but lower production, consumption, and world trade. Production is forecast 709,000 bales lower as reductions for the United States and Australia offset an increase for India. Consumption is forecast 1.3 million bales lower than in August, with lower estimates for China, India, Brazil, Thailand, Vietnam, and the United States offsetting an increase for Turkey. World trade is lower as lower imports are forecast for China, Vietnam, and Thailand. World ending stocks for 2019/20 are forecast 1.3 million bales higher this month, at 83.7 million bales, 2.9 million bales above the revised 2018/19 estimate.



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Gujarat Spot Rate Weekly Changes						
Variety	Staple Length	Mic.	07-09-2019	14-09-2019	Change	Change (in Per.)
					W/W	W/W
Shankar 6	29 mm	3.8	41,450	42,000	550	1.31%
Shankar 6	28.5 mm	3.6	41,000	41,600	600	1.44%
V-797	13 % Trash		32,450	32,400	-50	-0.15%
MCX Spot Rate			20,010	20,120	110	0.55%
USD-INR Exchange			71.72	70.91	-0.81	-1.14%

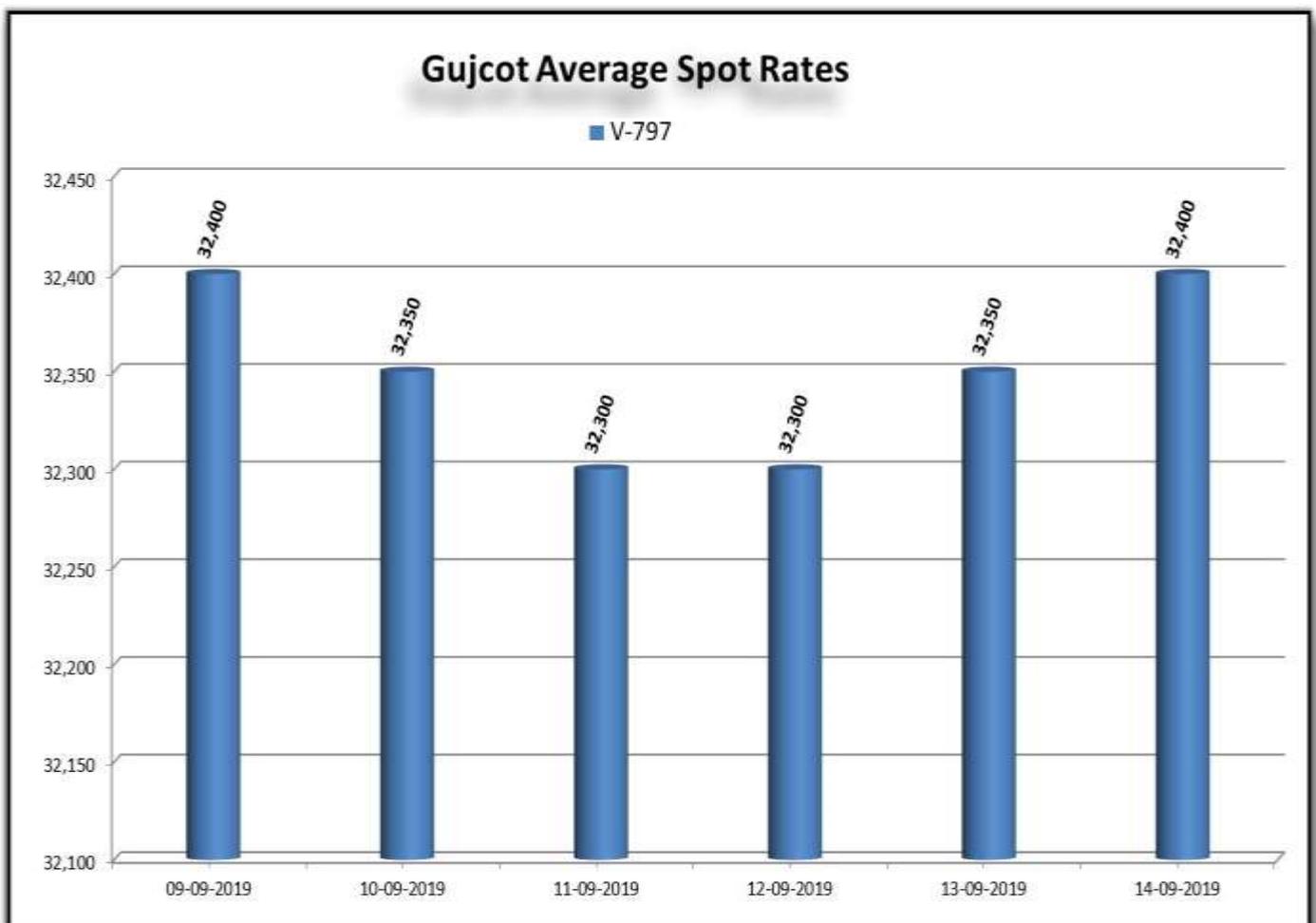
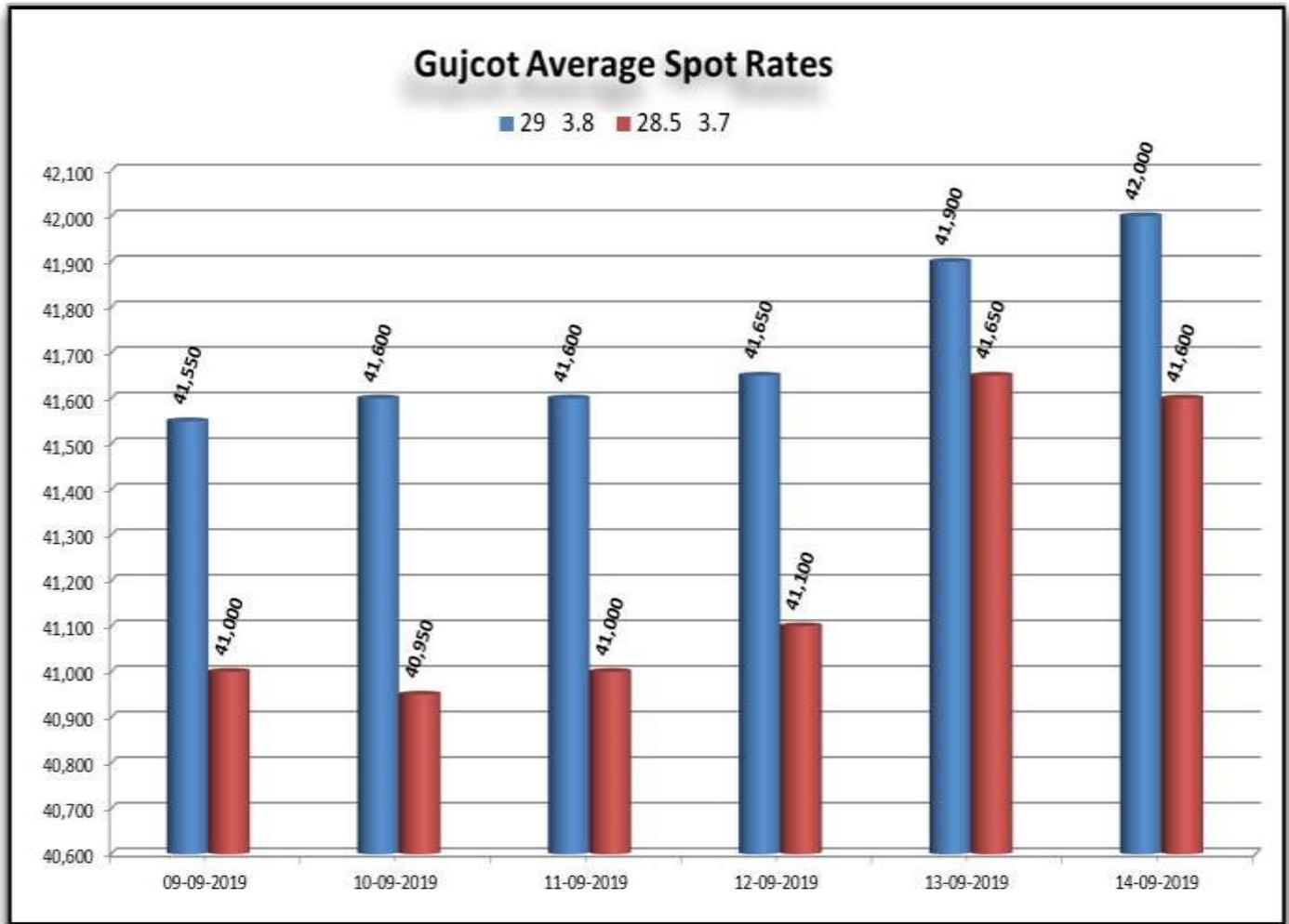
Average Rate of Last week					
Variety	Staple Length	Mic.	Price Range		Average Of 6 Days
			Low	High	
Shankar 6	29	3.8	41,550	42,000	41,717
Shankar 6	28.5	3.7	40,950	41,650	41,217
Shankar 6	28	3.6	No Quote	No Quote	No Quote
Shankar 6	27	3.2	No Quote	No Quote	No Quote
Shankar 6	26	3.0	No Quote	No Quote	No Quote
V-797	13% Trash		32,300	32,400	32,350
MCX Spot Rate			19,850	20,120	19,990
USD Exchange Rate			70.91	71.70	71.33

Rate of Last Week					
Date	29 3.8	28.5 3.7	V-797	MCX Spot Rate	USD-INR Exchange
09-09-2019	41,550	41,000	32,400	19,850	71.70
10-09-2019	41,600	40,950	32,350	19,850	71.70
11-09-2019	41,600	41,000	32,300	19,970	71.65
12-09-2019	41,650	41,100	32,300	20,030	71.13
13-09-2019	41,900	41,650	32,350	20,120	70.91
14-09-2019	42,000	41,600	32,400	20,120	70.91



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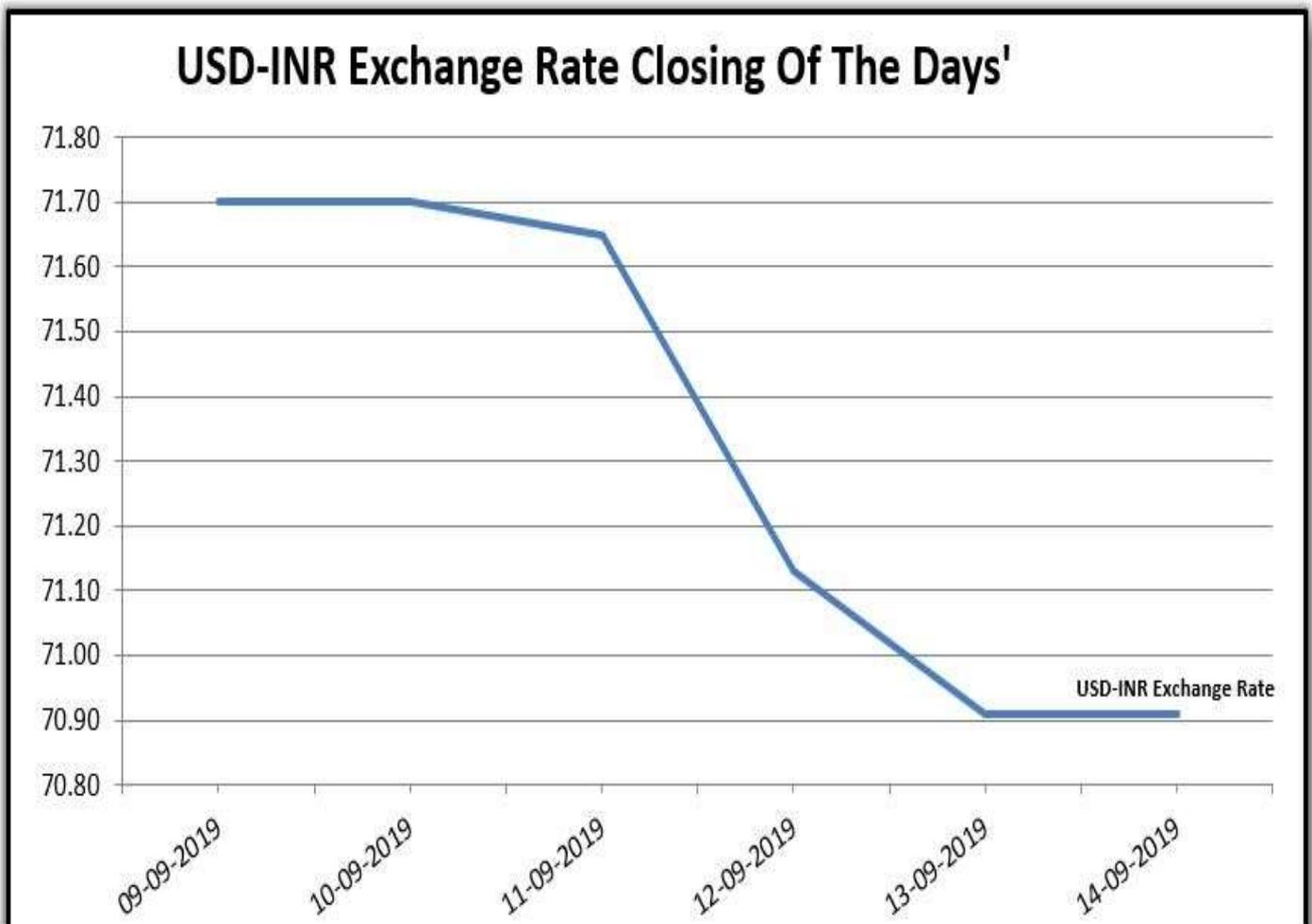
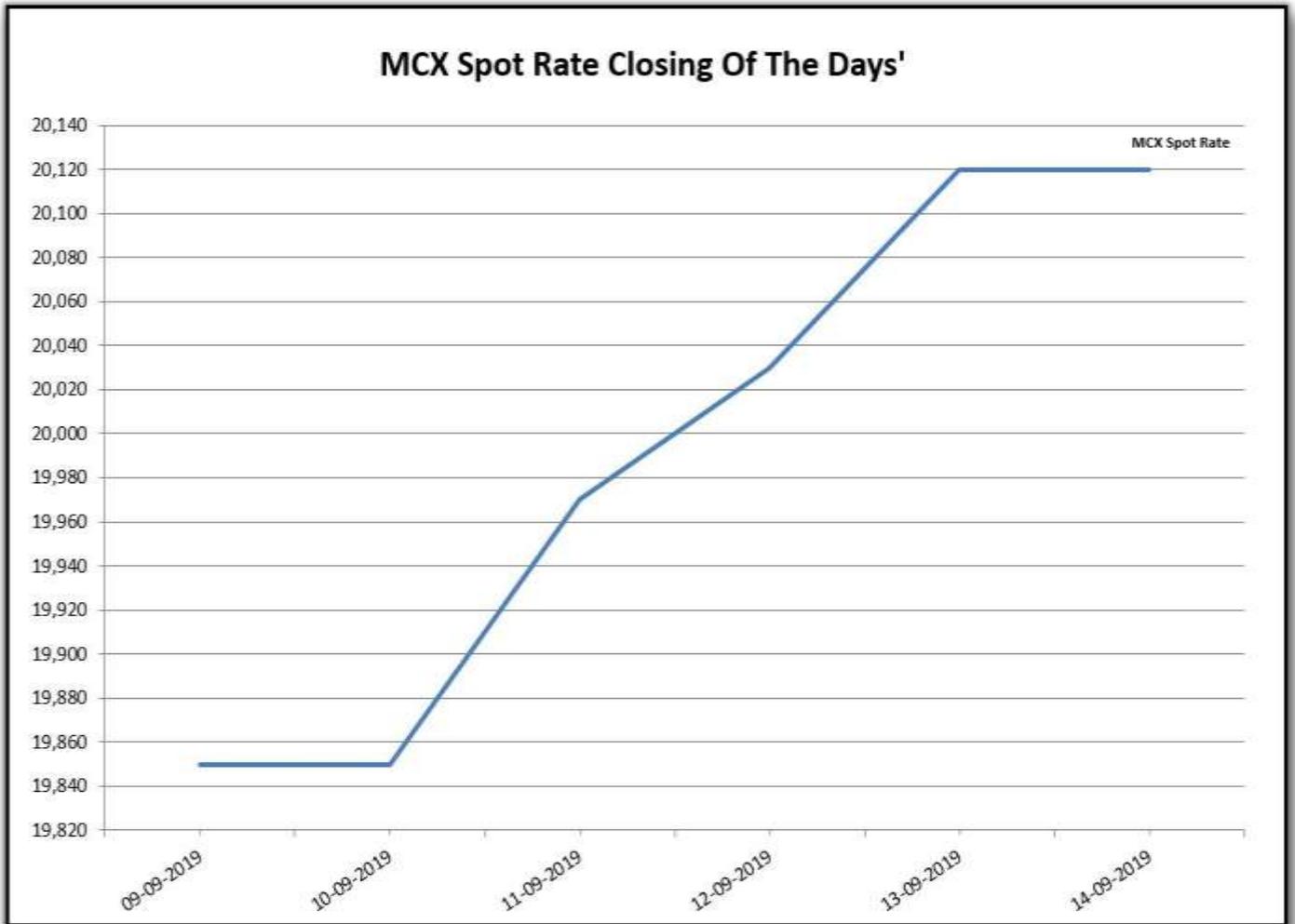
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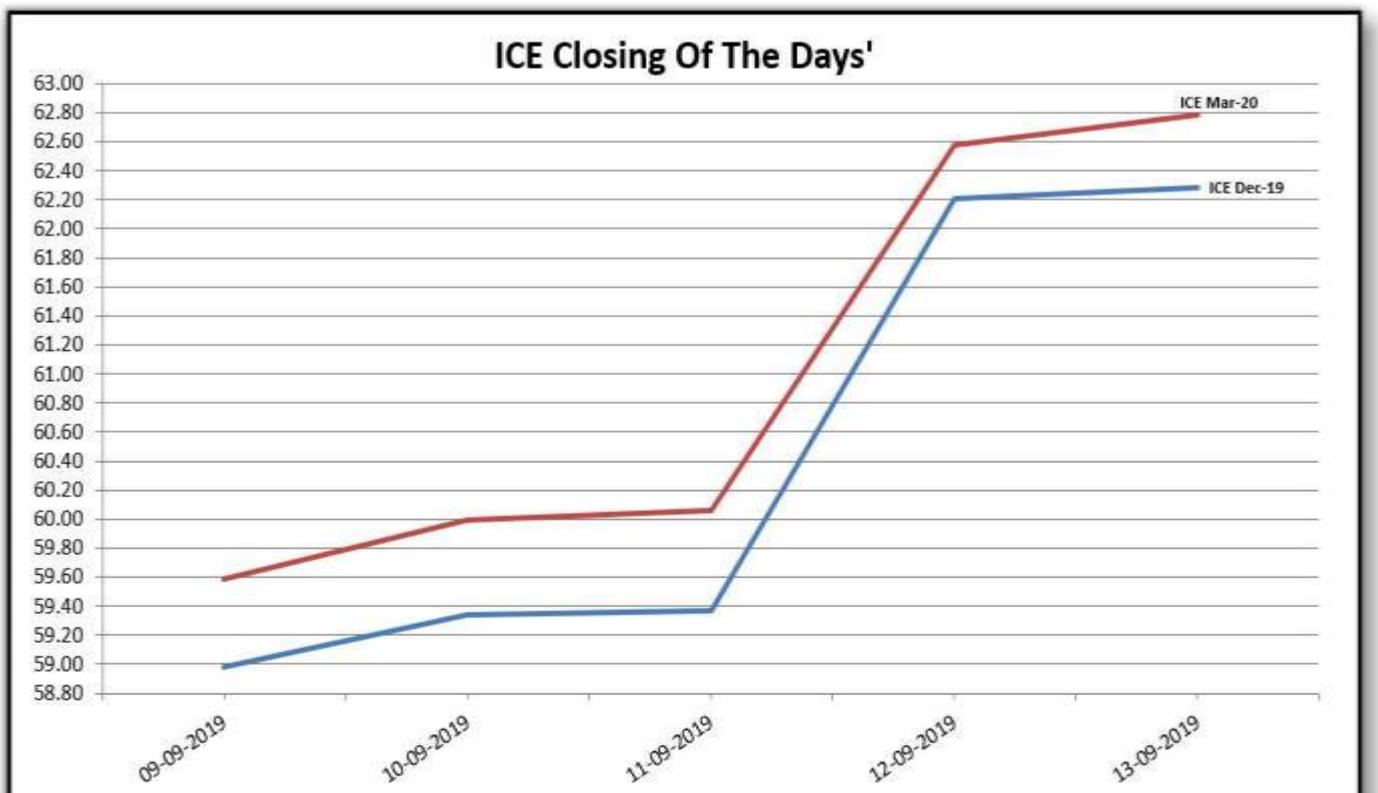
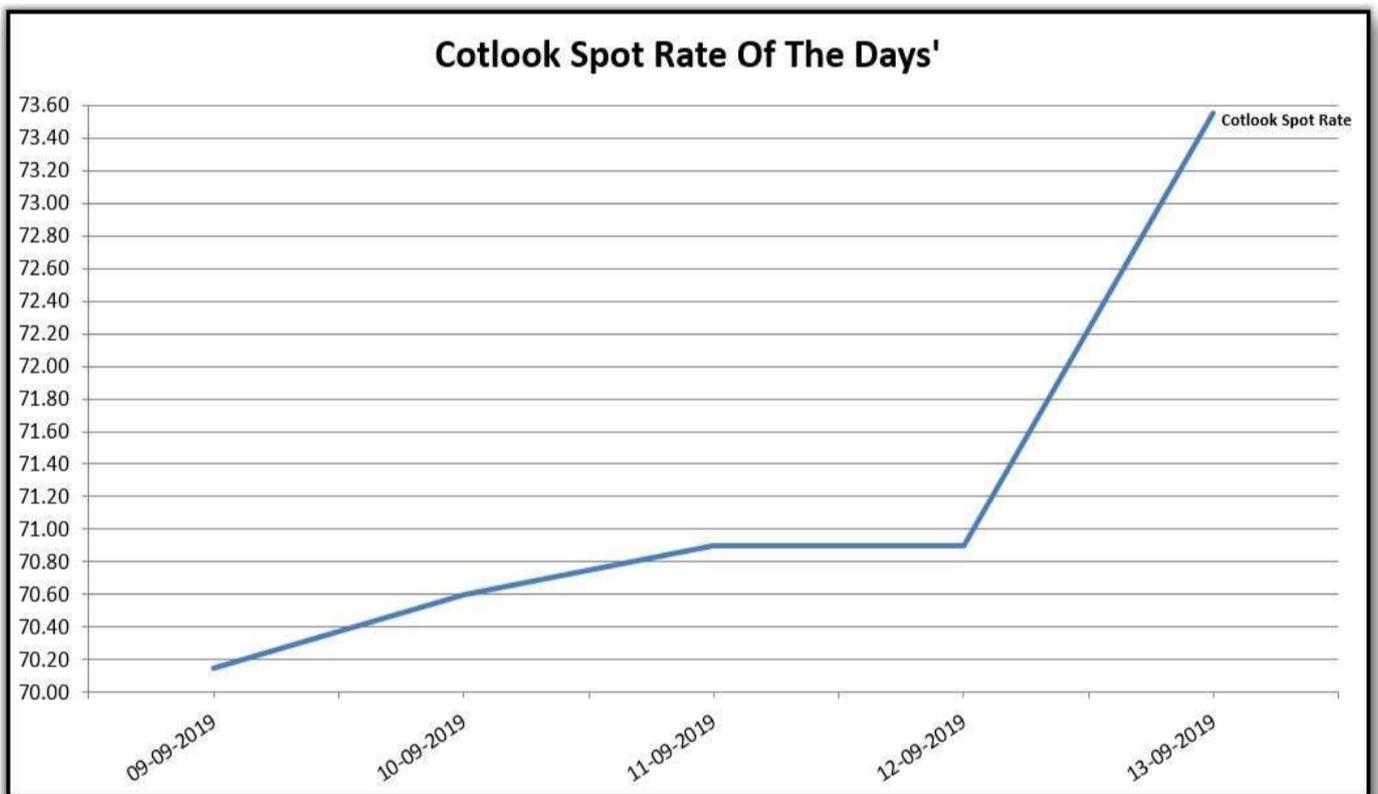




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Foreign Indices			
Date	Cotlook	ICE	
	Spot Rate	Dec-19	Mar-20
09-09-2019	70.15	58.98	59.59
10-09-2019	70.60	59.34	59.99
11-09-2019	70.90	59.37	60.06
12-09-2019	70.90	62.21	62.58
13-09-2019	73.55	62.28	62.78

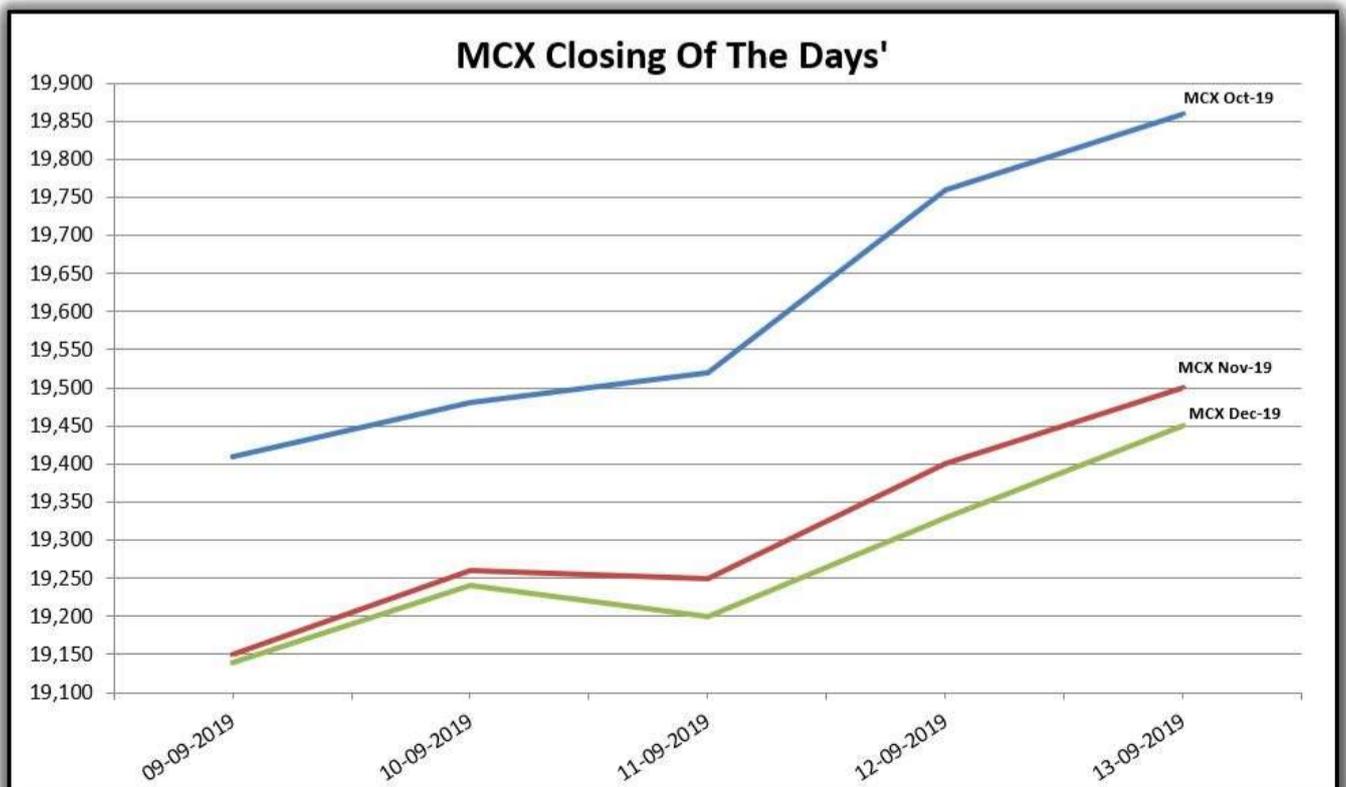
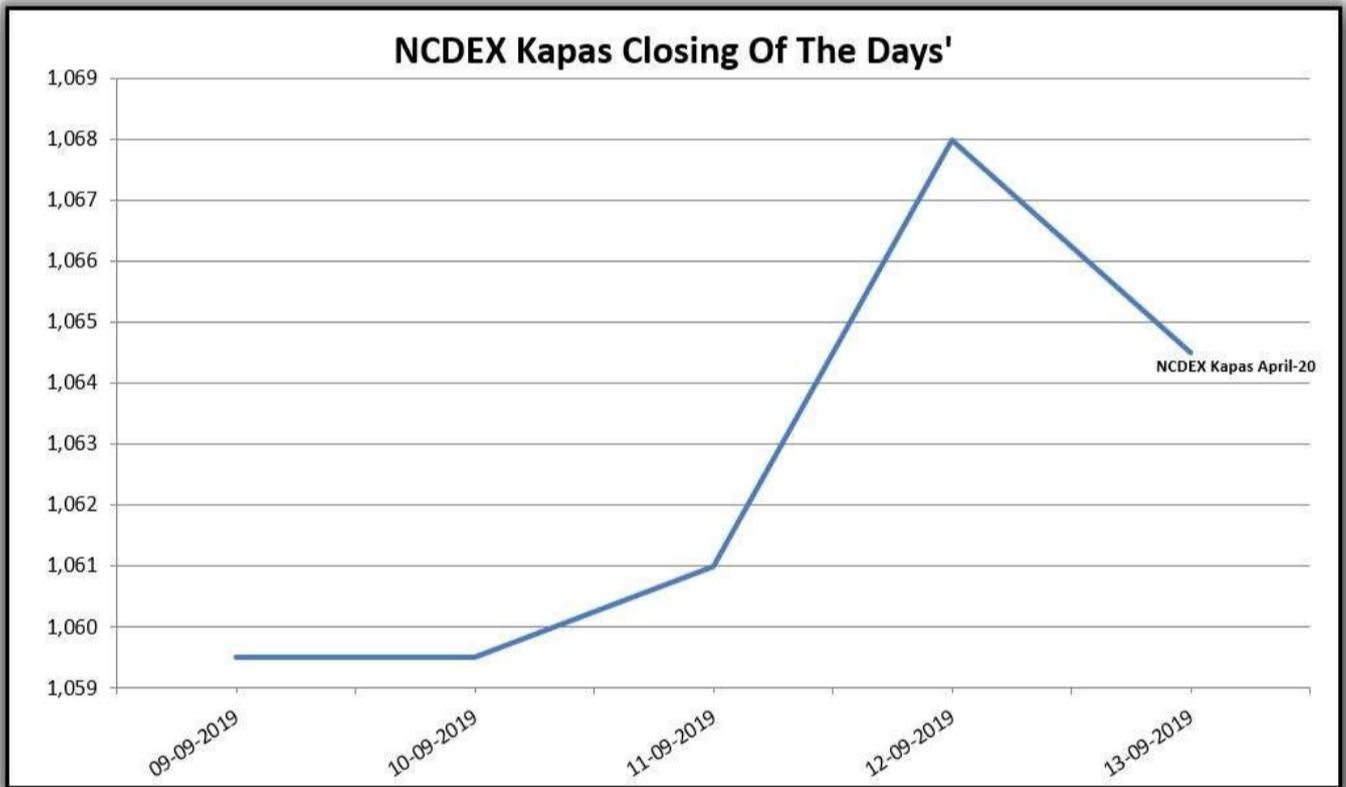




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Indian Indices				
Date	NCDEX Kapas	MCX		
	30-Apr-20	Oct-19	Nov-19	Dec-19
09-09-2019	1059.50	19,410	19,150	19,140
10-09-2019	1059.50	19,480	19,260	19,240
11-09-2019	1061.00	19,520	19,250	19,200
12-09-2019	1068.00	19,760	19,400	19,330
13-09-2019	1064.50	19,860	19,500	19,450



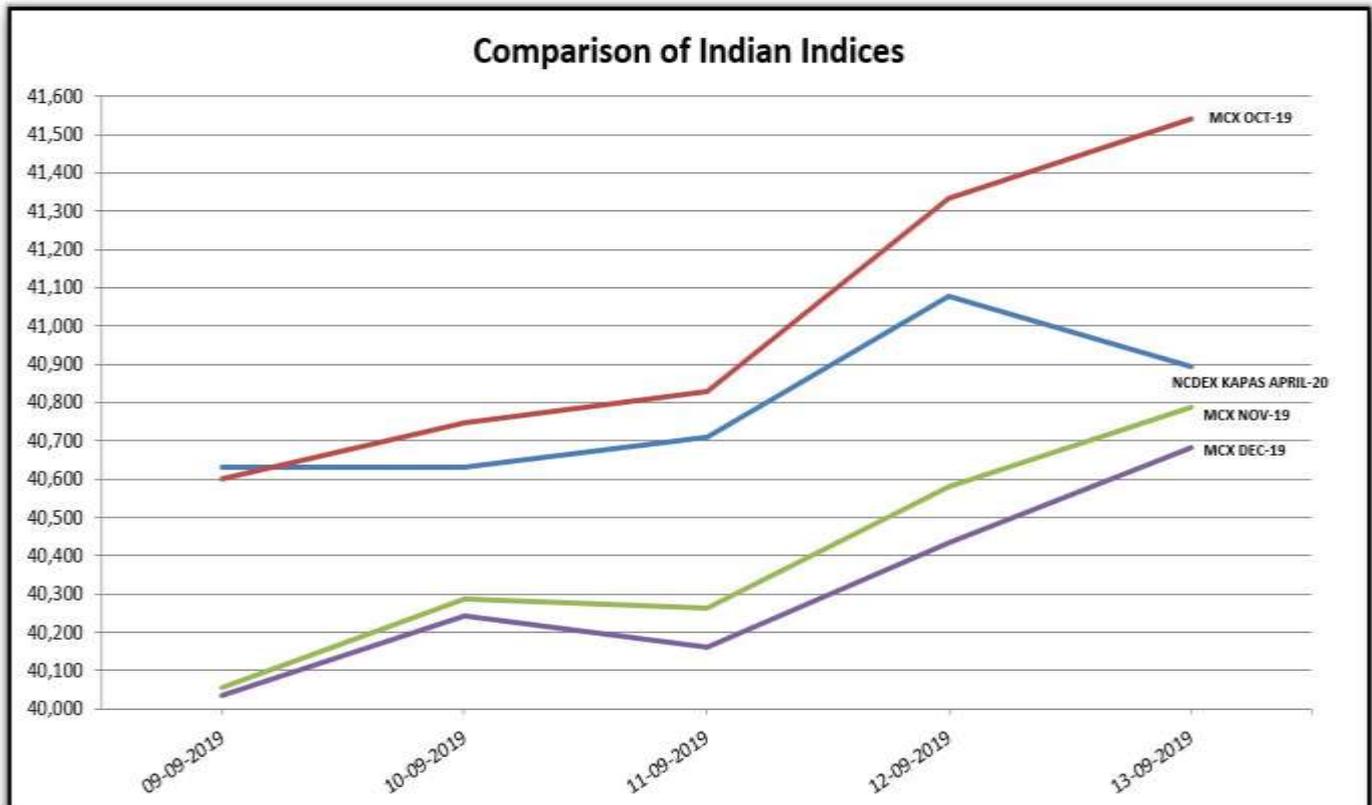


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Indian Indices in Candy Rate				
Date	NCDEX Kapas	MCX		
	April	Oct-19	Nov-19	Dec-19
09-09-2019	40,633	40,600	40,056	40,035
10-09-2019	40,633	40,746	40,286	40,244
11-09-2019	40,711	40,830	40,265	40,161
12-09-2019	41,077	41,332	40,579	40,433
13-09-2019	40,894	41,541	40,788	40,684

Remark :- For NCDEX Kapas we have taken seed rate 500/20 Kg to convert in Candy.

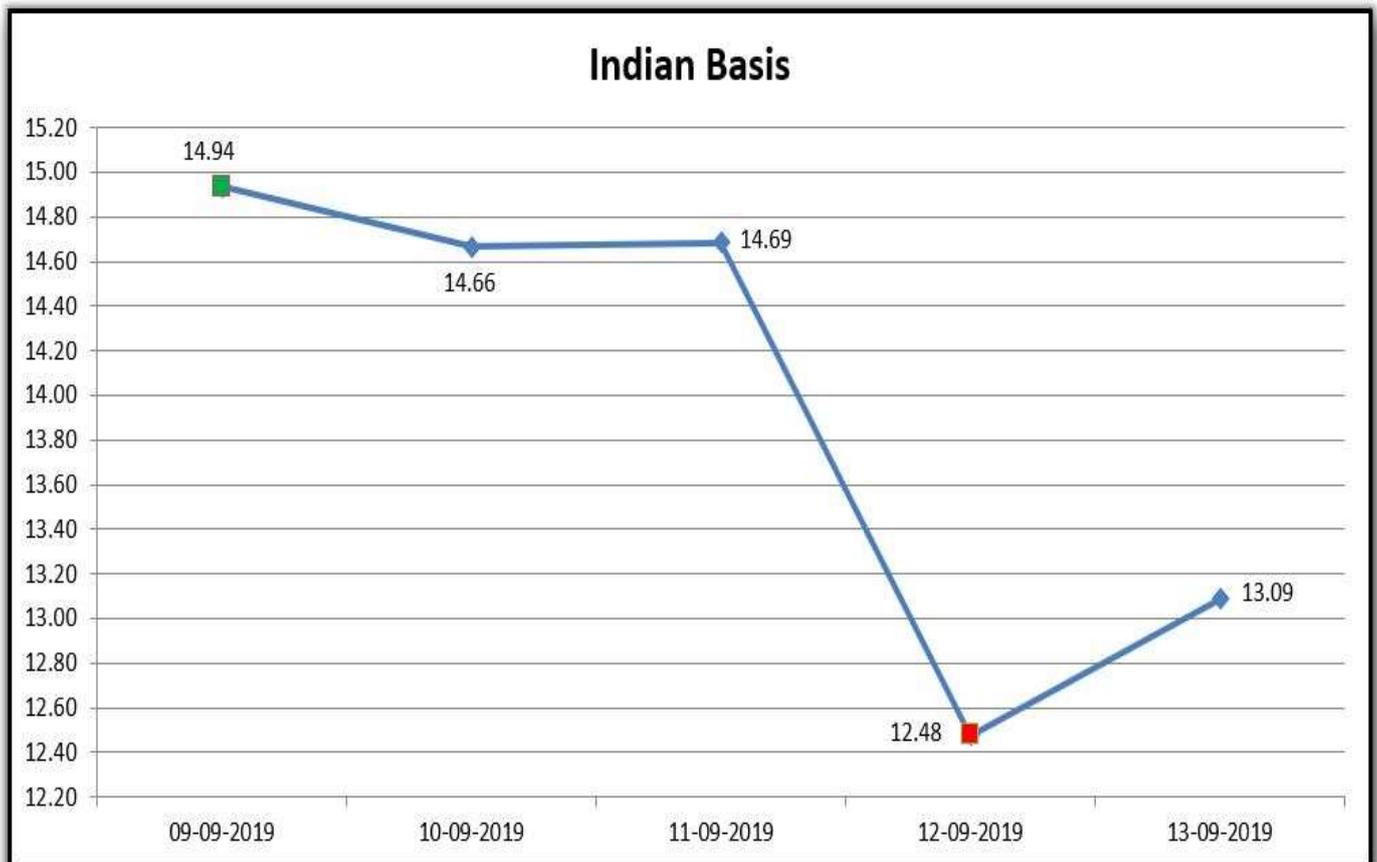




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Indian Basis					
DATE	29 MM	USD-INR	CENTS/LB	ICE DEC	BASIS
09-09-2019	41,550	71.70	73.92	58.98	14.94
10-09-2019	41,600	71.70	74.00	59.34	14.66
11-09-2019	41,600	71.65	74.06	59.37	14.69
12-09-2019	41,650	71.13	74.69	62.21	12.48
13-09-2019	41,900	70.91	75.37	62.28	13.09





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IN THE WEEK AHEAD

- Monday at 3:00 p.m. Central – Crop Progress and Conditions
- Thursday at 7:30 a.m. Central – Export Sales Report
- Thursday at 2:30 p.m. Central – Cotton-On-Call
- Friday at 2:30 p.m. Central – Commitments of Traders

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